

REFERENCE TITLE: electric energy; power companies; priorities

State of Arizona  
House of Representatives  
Fifty-sixth Legislature  
First Regular Session  
2023

# HB 2440

Introduced by  
Representative Griffin

## AN ACT

AMENDING TITLE 30, CHAPTER 6, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 30-811; AMENDING SECTION 40-202, ARIZONA REVISED STATUTES; RELATING TO ELECTRIC ENERGY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:  
2       Section 1. Title 30, chapter 6, article 1, Arizona Revised  
3 Statutes, is amended by adding section 30-811, to read:

4           30-811. Infrastructure; investments; rates priorities  
5       A PUBLIC POWER ENTITY RESPONSIBLE FOR ITS SERVICE TERRITORY SHALL  
6 CONDUCT INFRASTRUCTURE PLANNING AND INVESTMENTS TO MAINTAIN RELIABLE AND  
7 AFFORDABLE ELECTRIC SERVICE. THE GOVERNING BODY OF A PUBLIC POWER ENTITY  
8 SHALL PROVIDE ELECTRIC SERVICE AT JUST AND REASONABLE RATES. WHEN MAKING  
9 DECISIONS REGARDING THE PLANNING, INVESTMENT, PROCUREMENT AND OPERATION OF  
10 ELECTRIC GENERATION, TRANSMISSION AND DISTRIBUTION RESOURCES, THE PUBLIC  
11 POWER ENTITY SHALL PRIORITIZE THE RELIABILITY OF THE GRID AND  
12 AFFORDABILITY OF THE COSTS TO RETAIL ELECTRIC CUSTOMERS.

13       Sec. 2. Section 40-202, Arizona Revised Statutes, is amended to  
14 read:

15           40-202. Supervising and regulating public service  
16           corporations; telecommunications promotion;  
17           consumer protection; duty to comply

18       A. The commission may supervise and regulate every public service  
19 corporation in this state and do all things, whether specifically  
20 designated in this title or in addition thereto, necessary and convenient  
21 in the exercise of that power and jurisdiction. In supervising and  
22 regulating long-distance telecommunications corporations, the commission  
23 shall encourage competition and growth in the telecommunications industry  
24 and promote economic development and investment in new telecommunications  
25 technologies, infrastructure and services. In furtherance of this policy,  
26 the commission shall establish procedures and standards for identifying  
27 and regulating competitive long-distance telecommunications markets. When  
28 the commission determines that a long-distance telecommunications market  
29 is competitive, it shall establish appropriate supervisory and regulatory  
30 treatment for competitive long-distance telecommunications markets as  
31 distinguished from noncompetitive telecommunications markets. In imposing  
32 any assessments or other charges on mobile telecommunications service  
33 providers, the commission shall comply with the requirements of the mobile  
34 telecommunications sourcing act (P.L. 106-252; 114 Stat. 626; 4 United  
35 States Code sections 116 through 126).

36       B. In supervising and regulating public service corporations, the  
37 commission's authority is confirmed to adopt rules to:

38           1. Protect the public against deceptive, unfair and abusive  
39 business practices, practices related to deposit requirements and  
40 reconnection fees, intrusive and abusive marketing, deceptive or untrue  
41 advertising practices and practices prohibited under subsection ~~F~~ F of  
42 this section.

43           2. Provide that, notwithstanding any other law, customer  
44 information, account information and related proprietary information are  
45 confidential unless specifically waived by the customer in writing.

1       3. Ensure that public service corporations that employ the services  
2 of a contractor for interior household energy service, either directly or  
3 through any affiliate, require the contractors and subcontractors to be  
4 licensed by the registrar of contractors and shall comply with all  
5 municipal permit and inspection standards and applicable life safety  
6 codes. For the purposes of this paragraph, "contractor" has the same  
7 meaning prescribed in section 32-1101.

8       C. THE PUBLIC SERVICE CORPORATION RESPONSIBLE FOR ITS SERVICE  
9 TERRITORY SHALL CONDUCT INFRASTRUCTURE PLANNING AND INVESTMENTS TO  
10 MAINTAIN RELIABLE AND AFFORDABLE ELECTRIC SERVICE. PUBLIC SERVICE  
11 CORPORATIONS SHALL PROVIDE ELECTRIC SERVICE AT JUST AND REASONABLE RATES  
12 DETERMINED BY THE COMMISSION PURSUANT TO ARTICLE XV, SECTION 3,  
13 CONSTITUTION OF ARIZONA. TO ENSURE THE CONVENIENCE, COMFORT AND SAFETY  
14 AND THE PRESERVATION OF THE HEALTH OF THE PUBLIC IN THIS STATE, WHEN  
15 MAKING DECISIONS REGARDING THE PLANNING, INVESTMENT, PROCUREMENT AND  
16 OPERATION OF ELECTRIC GENERATION, TRANSMISSION AND DISTRIBUTION RESOURCES,  
17 THE PUBLIC SERVICE CORPORATION SHALL PRIORITIZE THE RELIABILITY OF THE  
18 GRID AND AFFORDABILITY OF THE COSTS TO RETAIL ELECTRIC CUSTOMERS.

19       ~~C.~~ D. Except as provided in subsection ~~D~~ E of this section,  
20 during the initial construction of a residential structure, electric and  
21 natural gas facilities at a minimum shall be installed in and to the  
22 structure in a manner that provides the retail energy consumer ultimately  
23 residing in the structure with the capability to choose between  
24 electricity and natural gas as an energy source for each appliance  
25 application.

26       ~~D.~~ E. A residential structure may be constructed without the  
27 installation of any particular facilities if:

28       1. The structure is not located within the service territory of a  
29 public service corporation certificated to furnish the associated energy  
30 service.

31       2. Unless mandated otherwise by law or governmental regulation, the  
32 public service corporation certificated to furnish the associated energy  
33 notifies the contractor or owner that the extension of the facilities to  
34 the structure is not economically feasible.

35       3. The public service corporation certificated to furnish a  
36 particular energy service and the owner or contractor agree that the  
37 extension of the facilities to the subdivision, to the structure or to any  
38 appliance application would not be economically feasible or would  
39 otherwise be inappropriate. In this case, the parties may agree to  
40 install no facilities in the subdivision, to install service to any or all  
41 residential structures without providing service to any appliance  
42 application or to install facilities to some but not all appliance  
43 applications.

1        ~~E.~~ F. Unless mandated by law or a generally accepted industry  
2 code, a person or entity, including municipal corporations and political  
3 subdivisions, shall not engage in any practice that interferes with the  
4 opportunity to have electric and natural gas facilities at a minimum  
5 installed in and to an existing residential structure in a manner that  
6 provides the retail energy consumer ultimately residing in the structure  
7 and all subsequent retail energy consumers residing in the structure with  
8 the capability to choose between electricity and natural gas as an energy  
9 source for each appliance application. This subsection does not apply to  
10 reasonable sales and marketing activities.

11        ~~F.~~ G. If a trench is provided by a contractor or a property owner  
12 for the purpose of having utility facilities installed to a residential  
13 structure, electric and natural gas facilities at a minimum shall be  
14 ~~permitted~~ ALLOWED to occupy the trench if the installation of the  
15 facilities is completed in compliance with generally accepted industry  
16 safety codes applicable to the installation. Except in the case of  
17 underground conversion service areas provided for in sections 40-341  
18 through 40-355 and improvement districts for underground utility  
19 facilities provided for in section 48-620, if the contractor or property  
20 owner conditions occupancy in a trench on a reimbursement of costs  
21 associated with providing the trench, the contractor or property owner may  
22 require an occupant to pay a pro rata share of the costs associated with  
23 providing the trench. A public service corporation may use as a credit  
24 against the payment money paid through the public service corporation's  
25 conduit or other reimbursement programs.

26        ~~G.~~ H. Before initiating a complaint with a public service  
27 corporation or the commission, the parties to a dispute arising under  
28 subsections ~~E~~, D, E, ~~and~~ F AND G of this section shall meet and in good  
29 faith attempt to resolve the dispute through an informal dispute  
30 resolution process. Compliance with subsections ~~E~~, D, E, ~~and~~ F AND G of  
31 this section does not require inspection or enforcement by a city, town or  
32 county.

33        ~~H.~~ I. After facilities have been installed initially in accordance  
34 with subsection ~~E~~ D of this section, the public service corporation, the  
35 homeowner, the home builder or the contractor is not responsible or liable  
36 for any subsequent modification to the number of initially installed  
37 facilities.

38        ~~I.~~ J. A public service corporation shall comply with every order,  
39 decision, rule or regulation made by the commission in any matter relating  
40 to or affecting its business as a public service corporation and shall do  
41 everything necessary to secure compliance with and observance of every  
42 such order, decision, rule or regulation.